

## HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

**BILL #:** HB 741 Lake Worth Drainage District, Palm Beach County

**SPONSOR(S):** Berman

**TIED BILLS:** None **IDEN./SIM. BILLS:** None

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Community & Military Affairs Subcommittee	15 Y, 0 N	Duncan	Hoagland
2) Agriculture & Natural Resources Subcommittee	15 Y, 0 N	Cunningham	Blalock
3) Finance & Tax Committee	24 Y, 0 N	Wilson	Langston
4) Economic Affairs Committee		Duncan	Tinker

### SUMMARY ANALYSIS

The Lake Worth Drainage District (District) is an independent special district created in 1961 for the purpose of reclaiming, draining, and irrigating lands within the District and to provide water control and water supply. The governing body of the District consists of five elected supervisors. The District is comprised of approximately 200 square miles and includes approximately 500 miles of drainage canals, 20 major water control structures and numerous minor structures. These water control structures are used to hold water higher than sea level in order to prevent salt water from encroaching and polluting existing fresh water wells. The District has approximately 100 employees and is supported by an annual non-ad valorem assessment.

The bill expands the powers of the District by granting it the authority to develop, acquire, construct, operate, maintain, and finance water supply sources and facilities, including but not limited to, alternative water supplies as defined by law and subject to all applicable federal, state, and local regulations. The District is also authorized to enter into any contract or interlocal agreement with a local government or a public or private utility in order to carry out its authorized functions related to water supply sources and facilities.

The bill further authorizes the District to borrow money and issue notes and bonds for the development, acquisition, construction, operation, finance, or maintenance of water supply resources or facilities. However, the bill stipulates that the bonds must be secured consistent with the terms of any water supply or finance agreement with public or private entities and the bonds are not payable from any district revenue. All costs associated with the District's water supply sources or facilities are the obligation of the signatories to any water supply or finance agreements other than the District. The District is prohibited from engaging in retail sales of public water supplies or acting as a water utility.

According to the Economic Impact Statement, no fiscal impacts are anticipated for either fiscal year 2011-12 or 2012-2013.

The bill is effective upon becoming law.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Current Situation**

The Lake Worth Drainage District (District) is an independent special district and was created in 1961 for the purpose of reclaiming, draining, and irrigating lands within the District and to provide water control and water supply. The District is governed by five elected supervisors elected to three-year terms. The District is comprised of approximately 200 square miles and includes approximately 500 miles of drainage canals, 20 major water control structures and numerous minor structures.<sup>1</sup> These water control structures are used to hold water higher than sea level in order to prevent salt water from encroaching and polluting existing fresh water wells. The District has approximately 100 employees and is supported by an annual non-ad valorem assessment.<sup>2</sup>

Currently, potable water is supplied to residents of southeast Florida through the use of water wells pulling water from an aquifer that is limited in water. It is anticipated that the aquifer will run out of water in the near future. In response to this need, a Joint Broward and Palm Beach County Water Resources Task Force has been established to seek alternative water supply for the region. The task force includes representatives of public utilities, the South Florida Water Management District, municipalities as well as water control districts such as the Lake Worth Drainage District. One of the regional supply concepts involves the C-51 Reservoir.<sup>3</sup> The C-51 Reservoir Project involves the construction of a regional surface water reservoir for the capture and redistribution of stormwater runoff with potential benefits to both Broward and Palm Beach counties. The Lake Worth Drainage District would be integral to the project. However, the District needs to be granted the authority to engage in activities and functions related to water supply resources and facilities.

##### **Effect of the Bill**

The bill expands the powers of the District by granting it the authority to develop, acquire, construct, operate, maintain, and finance water supply sources and facilities, including but not limited to, alternative water supplies<sup>4</sup> as defined by law and subject to all applicable federal, state, and local regulations. The District is also authorized to enter into any contract or interlocal agreement with a local government or a public or private utility in order to carry out its authorized functions related to water supply sources and facilities pursuant to this act.

The bill further authorizes the District to borrow money and issue notes and bonds for the development, acquisition, construction, operation, finance, or maintenance of water supply resources or facilities. However, the bill stipulates that the bonds must be secured consistent with the terms of any water supply or finance agreement with public or private entities and the bonds are not payable from any district revenue. All costs associated with the District's water supply sources or facilities are the obligation of the signatories to any water supply or finance agreements other than the District. The District is prohibited from engaging in retail sales of public water supplies or acting as a water utility.

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<sup>1</sup> Lake Worth Drainage District, History, <http://www.lwdd.net/v2/normal/home.htm> (last visited March 18, 2011).

<sup>2</sup> Lake Worth Drainage District, Introduction, <http://www.lwdd.net/v2/normal/home.htm> (last visited March 18, 2011).

<sup>3</sup> Broward Water Resources Task Force Report, August 2010, at 11, *available at* [http://my.sfwmd.gov/portal/page/portal/xrepository/sfwmd\\_repository\\_pdf/wrtf\\_final\\_report\\_0810.pdf](http://my.sfwmd.gov/portal/page/portal/xrepository/sfwmd_repository_pdf/wrtf_final_report_0810.pdf); and Lake Worth Drainage District Newsletter, Winter/Spring 2011.

<sup>4</sup> "Alternative water supplies" means salt water; brackish surface and groundwater; surface water captured predominately during wet-weather flows; sources made available through the addition of new storage capacity for surface or groundwater, water that has been reclaimed after one or more public supply, municipal, industrial, commercial, or agricultural uses; the downstream augmentation of water bodies with reclaimed water; stormwater; and any other water supply source that is designated as nontraditional for a water supply planning region in the applicable regional water supply plan. Section 373.019(1), F.S.

**B. SECTION DIRECTORY:**

**Section 1** Amends s. 3 of s.3 of ch. 2009-258, L.O.F. authorizing the Lake Worth Drainage District to develop, operate, and finance water supply resources and facilities; and to borrow money and issue notes and bonds for the development, operation and financing of such water supply resources and facilities.

**Section 2** Provides an effective date of upon becoming law.

**II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS**

A. NOTICE PUBLISHED? Yes ☒ No ☐

IF YES, WHEN? January 16, 2011

WHERE? Palm Beach Post West Palm Beach, Palm Beach County, FL

B. REFERENDUM(S) REQUIRED? Yes ☐ No ☒

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached ☒ No ☐

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached ☒ No ☐

According to the Economic Impact Statement, no fiscal impacts are anticipated for either fiscal year 2011-12 or 2012-2013.

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

N/A.